

So Ordered.

Dated: October 26th, 2020



**Whitman L. Holt
Bankruptcy Judge**

A handwritten signature in black ink that appears to read "J. Holt".

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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

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In re:

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ASTRIA HEALTH, *et al.*,

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Debtors and Debtors in
Possession.¹

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Chapter 11
Lead Case No. 19-01189-11
Jointly Administered

13

**ORDER GRANTING DEBTORS'
MOTION FOR AN ORDER
APPROVING PRIVATE SALE OF
PROPERTY**

**(ASTRIA MEDICAL OFFICE PLAZA
AND ARMC)**

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¹ The Debtors, along with their case numbers, are as follows: Astria Health (19-01189-11), Glacier Canyon, LLC (19-01193-11), Kitchen and Bath Furnishings, LLC (19-01194-11), Oxbow Summit, LLC (19-01195-11), SHC Holdco, LLC (19-01196-11), SHC Medical Center - Toppenish (19-01190-11), SHC Medical Center - Yakima (19-01192-11), Sunnyside Community Hospital Association (19-01191-11), Sunnyside Community Hospital Home Medical Supply, LLC (19-01197-11), Sunnyside Home Health (19-01198-11), Sunnyside Professional Services, LLC (19-01199-11), Yakima Home Care Holdings, LLC (19-01201-11), and Yakima HMA Home Health, LLC (19-01200-11).

1 Having considered the *Notice of Expedited Motion and Debtors' Motion for*
2 *an Order Approving Private Sale of Property* [Docket No. 1891] (the “Motion”),²
3 the Declarations of Michael Lane and Travis Ives in Support of the Motion (appended
4 to the Motion), and the record in this case;

5 **IT IS HEREBY ORDERED** that:

6 1. The Motion is **GRANTED** pursuant to **11 U.S.C. §§ 105 and 363** and
7 Rule 6004 of the Federal Rules of Bankruptcy Procedure.

8 2. The transfer of the Property of the Sellers to the Buyer is hereby
9 approved as set forth in the Motion and Agreement.

10 3. The Buyer is a good faith purchaser entitled to the benefits and
11 protections afforded by section 363(m) of the Bankruptcy Code.

12 4. The Agreement and all ancillary documents by and between the Sellers
13 and the Buyer are hereby approved pursuant to sections 105 and 363 of the
14 Bankruptcy Code, and the Sellers and Buyer are authorized and directed to
15 consummate and perform all of their respective or collective obligations under the
16 Agreement and to execute such other documents and take such other actions as are
17 necessary and appropriate to effectuate the Agreement. All terms and conditions of

19 ² All capitalized terms not otherwise defined herein shall have the meanings ascribed
20 to them in the Motion.

21 **ORDER GRANTING DEBTORS' MOTION
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PRIVATE SALE OF PROPERTY**

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1 the Agreement are incorporated herein by reference as if fully set forth herein.

2 5. Notwithstanding other provisions of this Order, the Closing Date under
3 the terms of the Agreement is hereby amended to occur on or before December 1,
4 2020.

5 6. The Property is being sold pursuant to sections 363(b) and 363(f)(1) of
6 the Bankruptcy Code free and clear of any liens, claims, interests and/or other
7 encumbrances against the Property (the “Sale”).

8 7. All personal property and furniture, fixtures and equipment located at
9 the Property shall not be removed from the Property absent agreement from the Buyer
10 and Debtors or ~~E~~court order.

11 8. Under the terms of the Sale, after the payment broker fees and related
12 closing costs, net Sale proceeds will total approximately Nineteen Million Dollars
13 (\$19,000,000) (the “Net Sale Proceeds”). The Net Sale Proceeds shall be remitted
14 at the closing of the Sale to UMB Bank, N.A. (the “Bond Trustee”) as the trustee for
15 \$27 million of tax-exempt Washington Health Care Facilities Authority Revenue
16 Bonds, Series 2017A (the “Series 2017A Bonds”) and the \$8.4 million of tax-exempt
17 Washington Health Care Facilities Authority Revenue Bonds, Series 2017B (the
18 “Series 2017B Bonds” and, together with the Series 2017A Bonds, collectively the
19 “2017 Bond Debt”), secured by the most senior lien against the Property. The Bond
20 Trustee shall apply the Net Sale Proceeds first to pay in full all interest outstanding
21 as of the closing date of the Sale under the 2017 Bond Debt in the amount of

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1 approximately \$8,400,000 and the remaining balance of the Net Sale Proceeds to the
2 current principal balance \$35,400,000, thereby leaving a principal balance under the
3 2017 Bond Debt of \$24,800,000. The above numbers are approximate and may
4 additionally vary depending on the Sale closing date.

5 9. For the avoidance of doubt, neither the Sale, the payment of the Net
6 Sales Proceeds under this Order constitute a redemption or payment of other amount
7 of the 2017 Bond Debt and shall not trigger any redemption premium, other
8 prepayment premium or otherwise increase the Debtors' financial obligations under
9 the 2017 Bond Debt.

10 10. The Agreement provides for a two year lease of certain property from
11 the Buyers to the Sellers (the "Leased Back Property"). The Debtors are authorized,
12 without further order of this ~~Court~~, to enter into a lease agreement with the Buyer
13 for the Lease Back Property under terms which shall be mutually agreed upon by
14 the parties or, if the Buyer and Debtors cannot agree to the terms of the lease, the
15 parties will resolve such disputes before the ~~Court~~.

16 11. Nothing contained in any plan or disclosure statement confirmed or
17 approved in these Chapter 11 Cases, and nothing in any order of this
18 ~~Court~~ confirming any such plan or approving any such disclosure statement, shall
19 conflict or derogate from the provisions of the Agreement or the terms of this Order.

20 12. The terms of this Order shall be binding on the Buyer and the Sellers
21 and their respective successors and assigns, the Debtors, the creditors of the Debtors,

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1 and all other parties in interest in these Chapter 11 Cases, and any successors of the
2 Debtors, including any trustee or examiner appointed in these cases or upon a
3 conversion of these cases to Chapter 7 of the Bankruptcy Code. To the extent of
4 any conflict or inconsistency between this Order, any pleading, prior Order of this
5 ~~Court~~ or any other document relating to the subject matter hereof the terms and
6 conditions of this Order shall govern and control, unless expressly stated to the
7 contrary herein. For the avoidance of doubt, to the extent of any inconsistencies in
8 any prior order on the sale of the Debtors' assets, this Order controls.

9 13. With respect to the transaction consummated pursuant to this Order, the
10 Agreement and documents related thereto shall be sufficient evidence of the transfer
11 of title to the Buyer and the Sale transaction consummated pursuant to this Order
12 shall be binding upon and shall govern the acts of all persons and entities who may
13 be required by operation of law, the duties of their office, or contract, to accept, file,
14 register, or otherwise record or release any documents or instruments, or who may
15 be required to report or insure any title or state of title in or to any of the property
16 sold pursuant to this Order, including without limitation, all filing agents, filing
17 officers, title agents, title companies, recorders of mortgages, recorders of deeds,
18 administrative agencies, governmental departments, secretaries of state, and federal,
19 state, and local officials, and each of such persons and entities is hereby directed to
20 accept this Order as sole and sufficient evidence of such transfer of title and shall rely
21 upon this Order in consummating the transactions contemplated hereby.

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1 14. The failure specifically to include any particular provision of the
2 Agreement or any of the documents, agreements, or instruments executed in
3 connection therewith in this Order shall not diminish or impair the force of such
4 provision, document, agreement, or instrument, it being the intent of the ~~Court~~
5 that the Agreement and each related document, agreement, or instrument be
6 authorized and approved in its entirety.

7 15. For the avoidance of doubt, nothing in the Agreement, any post-closing
8 interim agreements or the activities of any of the parties or their affiliates, shall cause
9 the Buyer (a) to be deemed a successor to the Debtors, (b) to be deemed, *de facto* or
10 otherwise, to have merged with or into the Debtors, or (c) to be a continuation of the
11 Debtors or any of the Debtors' enterprises.

12 16. The Agreement and any related agreements, documents or other
13 instruments may be modified, amended or supplemented by the parties thereto in
14 consultation with the Official Committee of Unsecured Creditors and the Debtors'
15 principal secured parties, Lapis Advisors, L.P. and UMB Bank, in accordance with
16 the terms thereof without further order of this ~~Court~~, provided that any
17 such modification, amendment or supplement does not have a material adverse
18 effect on the Debtors' estates.

19 17. The Buyer and Debtors shall use their best efforts to resolve any disputes
20 which arise prior to the closing the Sale.

21 18. The ~~Court~~ reserves the right to resolve any disputes which arise prior

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to the closing of the Sale.

2 19. Any stay under Rule 6004(h) of the Federal Rules of Bankruptcy
3 Procedure, or otherwise, pertaining to the transfer of the Property as set forth in the
4 Motion and Agreement, is hereby waived and shall not apply.

5 20. This ~~C~~court shall retain jurisdiction to enforce the terms of this Order
6 and the Agreement and to resolve any dispute or issue concerning the
7 interpretation, implementation or enforcement of this Order or the Agreement, or
8 the rights and duties of the parties hereunder or thereunder including, without
9 limitation, any issue or dispute concerning the transfer of the Property free and clear
10 of any liens, claims, interests and/or other encumbrances.

//End of Order//

PRESENTED BY:

/s/ Sam R. Maizel

JAMES L. DAY (WSBA #20474)

JAMES E. DAY (WSBA)
BUSH KORNEFEL DILL

SAMUEL R. MAIZEL (Admitted *Pro Hac Vice*)

SAM J ALBERTS (WSBA #22255)

SAM J. ALBERIS
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*Attorneys for the Chapter 11 Debtors
and Debtors In Possession*

* Changes made by court

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